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COUNTRY	Austria/ USSR	DATE DISTR. 26 Sep 50 25X			
SUBJECT	Recent Developments	NO. OF PAGES 2			
PLACE	in USIA	NO. OF ENCLS.			
ACQUIRED 5X1 DATE OF INFO.		SUPPLEMENT TO 25 REPORT NO. 25			
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X1 Finan Depar	cial Status of Firms Administered by A/O thent of USIA	Avtovels, Autorotive and fine medicines			
	histro-Fiat account and 33,000 schillings lebt incurred by Kromag A.G. (2) The A/O advance Kromag the cash required to meet i and the Leobersdorfer Enschinenfabrik are factories from A/O Avtovelo since they have assential items.	ne sales and rurehasing Unite of the me increasingly concerned by this schilles of his office to require a cown payment. In mid-July the Sales and Purchasing med firm, Vienna I, Trattmerhof 2, on the to the Alpine Montangesellschaft for a Avtovelo Department refused however to its July payroll. Sigmens-Schuckert A.G. trying to procure equipment for their we no more funds with which to purchase the			
	In an effort to preserve an appearance of credit at the Soviet Military Bank, A/O Avtovelo has recently adopted the policy of billing the Soviet Trade Delegation in Vienna immediatelytor orders delivered to firms under its supervision. To data, such bills amounting/3,750,000 schillings have been drawn up. Various USIA firms are trying to settle their accounts with each other by juggling their bookkeeping records.				
	ent Preduction of A/O Avtovelo Firms				
	Steyr Diesel engines and priced at 92,000 for shipment to the USSR.	schillings apiece, will scon be ready			
	deliver from 8 to 10 of these vehicles per busses for 3,000 schillings less than the	regular purchase price per units			
	e. The Leobersdorfer Maschinenfabrik is catators per month to the Soviets				
STATE ARMY	CLASSIFICATION -SECRET COR	AFIDENTIAL 25>			
CONI letter Direc Archi	document is hereby regraded to FIDENTIAL in accordance with the of 16 October 1978 from the tor of Central Intelligence to the vist of the Approved For Release 2003/08/11: CIAReview Date: 2008	RDP82-00457-0055-000 F0007-3 Date: 1978-			

Next Review Date: 2008

## Approved For Release 2003/08/11 : CIA-RDP82-00457R005900010007-3

# CONFIDENTIAL

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CENTRAL	INTELLIGENCE	AGENCY	

25X1

#### USIA Sales of Consumer Goods

4. Proceeding with their plans to flood the Austrian market with consumer merchandise, the Soviets have accumulated enough textiles and foodstuffs to fill both the warehouses which the USIA Food Industry Administration owns in Vienna IV, one on Karlsgasse and the other on Hoyosgasse. (3) USIA sugar seems to be in great demand and the wholesale price was raised on 7 August 1950 from 6.60 to 6.75 schillings per kilo. (4)

### Trade with the Satellites

- 5. The fact that in Austrian track negotiations with the satellite countries the "basic" rate of exchange entablished in November 1949 is becoming almost fictitious has been borne out in several recent developments. According to Referent Handler, a member of the Polish Trade Delegation in Vienna, the "effective" rate of \$1:21.36 schillings rather than the "basic" rate of \$1:14.40 schillings was used as a clearing relationship in drawing up the recent Austro-Polish trade treaty. (5) It is also reported that all Hungarian government monopolies arranging compensation agreements with Austrian firms are demanding an exchange rate of 30 schillings to the dollar.
- 6. Several transactions of this sort between Hungarian nationalized firms and Austrian customers are currently being negotiated. Veres, representing Magyar Kulforgalmi, Budapest, would like to sell large quantities of textiles, furs and leather in Austria and has asked "Intrac" Gom.b.H. to handle the compensation arrangements. Grigoriev, lirector of USIA's Light Industry Administration, has offered to dispose of this merchandise for Kulforgalmi, but it seems that Veres prefers to deal only with Intrac. "Monimpex", Budapest V, Tukor-utca 4, is still trying to conclude an Igreement with USIA to import Hungarian wines and liquor into Austria. Durin; the past few days, Barhely, a director of this firm, has been in Vienna confering with USIA officials. (6)

A/O Avtovelo continues to Amport foodstuffs and other commodities from Hungary

## Illegal Import-Export Transaction

(2) Comment: There is no Schimmel firm with offices in Vienna I listed in the 1950 Handels Tompass or Industrie-Compass or in the 1949 Vienna telephone directory. possibly refer to Schimmel & Co. G.m.b.H., Liesing, Feldgasse 16, cealers in essential cils and essences.  (3) Comment: Sowet plans to initiate a large-scale dumping program were reported in  (4) Comment: An estimated 80 procent of the customers in these USIA usrehouses are hoarders and black process.  (5) Comment: The trend of current Austro-Czech currency discussions is further indication of the difficulty of maintaining the Austrian schilling's official external value in trade with the Peoples Democracies.  (6) Comment: it was eported that Markowicz, general director of "Monimpex", had been conferring with USIA officials.	·	for Fritz Durst. (7) This firm has now requested A/O Avtovelo to provide duty free clearance for the import of 30 tens of raw linseed oil and certain unspecified chemicals.
in the 1950 Handels—Tompass or Industrie—Compass or in the 1949 Vienna telephone directory. possibly refer to Schimmel & Co. G.m.b.H., Liesing, Feldgasse 16, cealers in essential oils and essences.  (3) Comment: Sow et plans to initiate a large—scale dumping program were reported in  25X1  (4) Comment: An estimated 80 / recent of the customers in these USIA warehouses are hearders and blackpirketeers.  (5) Comment: The trend of current Austro—Czech currency discussions is further indication of the difficulty of maintaining the Austrian schilling's official external value in trade with the Peoples Democracies.  (6) Comment: it was eported that Markowicz, general director of "Monimpex", had been conferring with USIA officials.	25X1	(1)
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